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FROM ACTING DIR. / CPS				DATE SENT			
SUBJ. IC STAFF PAPER "SYSTEMIC PROBLEMS IN INTELL. ANALYSIS ON THE SOVIET UNION"				EO/TR 2/22			
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78-0227

17 February 1977

MEMORANDUM FOR: Director, Office of Weapons Intelligence  
Director, Office of Scientific Intelligence  
Director, Office of Strategic Research  
Director, Office of Economic Research  
Director, Office of Central Reference  
Director, Office of Regional & Political Analysis  
Director, Office of Geographic & Cartographic Research  
Director, Foreign Broadcast Information Service  
Director, Office of Training  
Chief, Soviet/East European Division, Directorate  
of Operations

FROM :

[Redacted]  
Acting Director, Center for Policy Support

SUBJECT :

IC Staff Paper "Systemic Problems in Intelligence  
Analysis on the Soviet Union"

1. The Production Assessment and Improvement Division of the IC Staff has prepared the attached paper addressing what it views as serious, fundamental problems in the Community's posture for intelligence analysis on the Soviet Union. The IC Staff has requested comments on the paper.

2. The Center for Policy Support has been asked to pull together CIA comments on the paper, views on the seriousness of the problems raised by the IC Staff and ideas as to the next steps. Your office is requested to provide such comments and views on the attached paper to Robert Gates of CPS (7F36) by 1 March 1977. These comments will serve as the basis for a CIA response to the IC Staff.

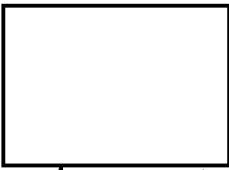



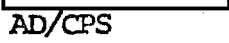
Attachment

cc:

[Redacted] (CPS)  
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*This covering memo  
was not provided  
to recipient of package.*

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## Systemic Problems in Intelligence

### Analysis on the Soviet Union

The attached draft paper describes some systemic problems in the analytic base underlying NIEs on the Soviet Union. It needs a concluding section, but the content of this section depends on what use will be made of the paper.

If our perceptions of the problem are correct, a very substantial Community effort will be needed to improve the basis for intelligence production on the Soviet Union. There should be a concerted Community program under NFIB to define improvement goals and priorities, lay out a long-range "get-well" program, and move out smartly with initiatives like an exercise analysis center. There should also be developed a set of detailed funding and manpower augmentation proposals for PRC (CFI) action, because the improvements we have in mind simply will not be adequate unless backed by more money and people. The issue is how to get these actions moving.

There seem to be three alternatives:

a. Alternative 1. Use the paper basically as it is to provide background and an explanation of goals. Add a brief concluding section to bring the paper to a logical close, but avoid listing specific next steps. Utilize NFIB and PRC (CFI) mechanisms to set in motion a loosely-connected series of get-well actions, each largely considered on its own merits.

b. Alternative 2. Use the paper as an NFIB and PRC (CFI) agenda for a more systematic Community action program. Add a substantive final section with proposed next steps along the following lines:

-- Community working groups to develop detailed implementation plans in four areas:

- Major upgrade of Community data bases
- Long-term Community program of basic research studies on the Soviet Union

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- Short- and long-term programs to upgrade the body of Soviet specialists in the Community and draw to a greater extent on outside help

- NSA/DIA/CIA exercise analysis center

IC Staff and NIO consortium to research ways to make NIEs more cost-effective. For example:

- Market research project
- Cost analysis of NIE efforts
- Loose-leaf notebook experiment with NIE 11-3/8 (update pages as changes occur)
- DCI policy guidelines on the treatment of evidence, uncertainty, hypotheses, etc.

A user-Community consortium to help guide a systematic Community work program of US-Soviet and NATO-WP military interactions analyses and support to net assessments.

c. Alternative 3. Structure the paper per Alternative 2, but use it privately with an inner group of Community elite (managers and analysts) to form an ad hoc steering group which quietly, but effectively, orchestrates Community funding, manning, and planning to move forward as fast as is bureaucratically possible on a get-well program.

Attachment:  
Intelligence Community Posture  
for Estimates on the Soviet Union  
9 Feb 77

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Intelligence Community Posture  
for Estimates on the Soviet Union

I. The Problem

In a period of rising concern and political controversy about the Soviet threat and American policy toward the Soviet Union, how well is the Intelligence Community postured to assess this threat, in all its dimensions? How well can the Community lucidly analyze and portray the strategic motives, intent, drives, constraints, and probable future courses of action of the Soviet Union? How well can it make a comprehensive assessment of Soviet political, economic and military capabilities? Persistent criticism of Community performance by both insiders and outsiders indicates that the posture of intelligence may not be adequate to meet the challenges posed by the Soviet Union unless major improvements are made.

II. The Soviet-American Relationship and the Implications for  
Intelligence

Since the early 1960s, the Soviet-American relationship has increasingly involved efforts by both sides to avoid military confrontation and improve cooperation; at the same time, strong competition continues in all areas of superpower interaction. These trends seem likely to continue. US interests are likely to be increasingly challenged in the traditional areas of foreign affairs and military capabilities, albeit

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in more subtle ways than during the two decades following World War

II. Moreover, new challenges have arisen and will continue in such areas as international negotiations, relations with US allies and non-aligned nations, and international economics.

Determination of US policy in the face of these Soviet challenges will be, if anything, more difficult than in the past, for several reasons:

- The Soviet Union is becoming more subtle and sophisticated in its dealings with the West.

- The continued Soviet military improvement program makes the East-West military balance more complex to assess and renders less obvious the actions necessary for the United States and its allies to maintain an acceptable balance.

- American consciousness of the limits of military power, sharpened by the final years of the Vietnam War, places new constraints on the means by which the US may seek to counter Soviet influence in third world areas.

- Rising defense costs and the increasing need to deal with America's pressing domestic and energy problems make ever more necessary the requirement for fine judgment in US military improvement programs, to define and maintain an acceptable military balance with the Soviet Union at minimum cost.

military clashes are potentially too devastating to neglect the possibility of their occurrence. Moreover, third party actions--for example, in the Middle East or Eastern Europe--could lead to US-Soviet confrontations. Thus, US policy cannot be based on the assumption that they will never occur or that the Soviets will continue in the future to avoid confrontation, as their military capabilities improve. Thus, remote as the possibility may currently appear, the US and its allies must continue to be prepared for military conflict with an increasingly powerful Soviet Union.

The challenges posed to the Intelligence Community over the next several years are equally as difficult--to understand Soviet purpose and motivation; determine strengths and weaknesses in Soviet political, economic and military challenges to US interests; make comprehensive assessments of the import of these challenges; and analyze critical areas of potential military interaction between the two sides.

A. Soviet Purpose and Motivation

How do the Soviets assess the United States as an international competition? What explains persistent Soviet challenges to US interests? Are they really seeking dominance over the West? Do they want and expect to achieve military superiority? Or are defense and insecurity the motives? Or mindless momentum of the bureaucracy? These are intelligence issues, but are very political as well. They affect the



"atmosphere" and rhetoric of US foreign policy and defense debates.

Most importantly, they illuminate the possible avenues of US-Soviet relations and the limits of those relations. Very broadly--but only very broadly--they indicate the likely direction of Soviet military programs.

B. Soviet Strengths and Weaknesses

How do Soviet foreign policy, economic, and military efforts relate to one another in fostering Soviet interests and objectives?

What are the strengths and weaknesses, the drives and constraints, that shape these efforts and determine Soviet capabilities to challenge

US interests? To provide US policymakers with the necessary insight to deal with the Soviet Union, intelligence must analyze Soviet internal

affairs in far greater depth and from different perspectives than has

heretofore been the case. It is essential that there be better under-

standing of the factors that affect Soviet decisions on such matters as

military programs, arms control negotiating positions, foreign policy

initiatives, and actions in a crisis. For example, how will the Soviet

economy shape and constrain future military programs? What are the

effects of Soviet internal politics, dissident elements of society, or

bureaucratic interests? How do Soviet relations with allies or client

states enhance or limit their foreign policy? Their military capabilities?

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### C. Comprehensive Assessments of Soviet Efforts

How effectively are Soviet challenges and competition likely to be, now and in the future? Whatever their intent, will the Soviets have the ability to prevail over the West in any of the potential kinds of theater, intercontinental or naval conflicts that might arise? What is the actual and perceived military balance likely to be over the next decade? Can the Soviets really translate shifts in the military balance into political or military advantage? How will the Soviets seek to turn arms control negotiations to their political and military advantage? How effective are their efforts to influence non-aligned nations or US allies likely to be? How might the Soviets exploit to their advantage various international economic trends, the flow of Western technology, or the energy problems facing the world?

This is where the intelligence aspects of military net assessments play a major role, as do correspondingly broad assessments of Soviet foreign policy and economic efforts.

### D. Critical Areas of Military Interaction

Partly as an input to the foregoing comprehensive assessments of Soviet efforts and partly to support US military force posture and operational planning, there is need for basic intelligence and net assessment in the fine. As the US-Soviet military balance becomes less favorable to the US, the number of critical areas of military interaction grows. Intelligence issues and analysis once

thought to be "tactical" now become strategic in their importance.

For example, what are current and future Soviet capabilities for SLBM attacks on US bomber bases? How, in detail, does Warsaw Pact artillery support a combined arms offensive? How well trained are Soviet tank crews? What are the strengths and weaknesses of Soviet command and control in various theaters or at sea? How effectively can Soviet naval forces locate and neutralize US attack carrier task forces?

### III. How Well is the Community Postured to Deal with These Issues?

To make judgments on such a complex matter as the Intelligence Community's posture for dealing with future Soviet challenges to US interests is difficult and perhaps foolhardy. Nevertheless, such judgments are essential in view of the persistent criticisms of Community performance and the evolving nature of the Soviet challenges to US interests. Moreover, there is a growing set of sources to assist in judgments about the Community posture, including the IC Staff semiannual review of intelligence for the National Security Council, the 1976 report of the Senate Select Committee on Intelligence, reports by the President's Foreign Intelligence Advisory Board, internal reviews of intelligence performance by the CIA and by DOD intelligence organizations, and the various reports (some still in draft) associated with the NIE 11-3/8-76 competitive analysis. While the recommendations

consistency about the strengths and weaknesses of the Community.

The following findings are based upon:

- A review of the foregoing sources.
- An IC Staff survey of National Intelligence Estimates on the Soviet Union produced since 1960.
- A limited sampling of other interagency products, Defense Intelligence Estimates, and CIA reports.
- Discussions with experienced observers of intelligence, from both inside and outside the Intelligence Community.

A. Community Strengths

The Community is strongest with respect to traditional areas of intelligence on the Soviet Union, where the needs of users are stable and well understood, funding has been consistently high, and the analytic techniques have been proven by extensive use.

These include current reporting on significant events in the Soviet Union, analysis of the characteristics of strategic weapon systems, and compilation of order of battle information on Soviet strategic forces and certain aspects of general purpose forces (counts of ships, divisions, aircraft, etc.). Community support for SALT and MBFR is generally rated as excellent by users, as are the Community efforts on certain aspects of the Soviet economy (e.g., agricultural output, energy issues, international monetary and fiscal matters).

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B. Community Weaknesses and Systemic Problems

However, when viewed against the challenges posed by the Soviet Union, now and in the future, the capabilities of the Community must be substantially extended. To understand Soviet behavior as regards military programs, foreign policy, and crisis actions, the Community needs:

- More sophisticated treatment of how the Soviets view the United States and other countries, using Soviet perspectives and terminology.



A sustained, detailed analysis of Soviet international policy and goals, encompassing their military, economic, and political efforts.

On an equal footing with the need to understand Soviet purpose and behavior is the need to do better in assessing and projecting Soviet military programs. To do this, the Intelligence Community must:

- Improve its ability to assess Soviet and Warsaw Pact war waging capabilities, up to some ill-defined line where intelligence analysis begins to evaluate US capabilities.
- Develop a <sup>holistic</sup> ~~wholistic~~ view of Soviet military and military-related R&D.

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3. Trained Specialists on Soviet Affairs. The Community  
does not have enough trained specialists on Soviet affairs. Moreover,  
the senior personnel who most influence the content of national estimates  
do not have sufficient time to become or remain familiar with the  
extensive body of material that is currently available on the Soviet  
Union. Measures such as the following can, over time, alleviate  
these problems:

- A long-term program to build up and sustain a body of  
intelligence production personnel within the Community  
who are experts on the Soviet Union, both generalists and  
specialists.
- Programs to draw upon academic institutions, other govern-  
ment agencies, and private research organizations to  
complement Community efforts in various areas of Soviet  
affairs.
- Efforts to inform senior Community analysts, especially  
those involved with national estimates, of the results of  
ongoing research on the Soviet Union. Senior analysts  
must make time to spend with the relevant source material  
and basic studies; data and research studies must be  
organized to facilitate ready access and assimilation  
by these personnel.

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5. Relevance of NIEs to Users' Needs. NIEs on the

Soviet Union are costly, in terms of Community manpower, yet  
there are persistent questions raised by some users about the  
relevance and utility of NIEs. The DCI's National Intelligence  
Officers are working to understand and resolve concerns raised  
by various users, but more can be done, such as:

- Systematic research on the multiple markets for NIEs, to assure that user needs for national intelligence are fully comprehended.
- Investigation of alternative formats, schedules, and coordination procedures for NIEs to meet user needs at minimum cost to the Community.
- Development of clear and agreed guidelines for discussing evidence and uncertainty in NIEs, providing hypotheses and judgments about future Soviet behavior which go beyond the sources and methods of intelligence, and indicating changes in intelligence estimates and the reasons for these changes. These guidelines should be keyed to the needs of various users and developed in consultation with them.
- More extensive and systematic efforts to involve users in the development of terms of reference and at other key points in the production of NIEs, to assure relevance.

In addition to the above, measures must be developed to get the good analysts back to doing analysis. Analytic divisions in CIA and DIA are generally charged with a mix of current intelligence support, data management, and analysis. They are involved in

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that detract from basic research efforts. Much time is spent in interoffice and intraoffice coordination of studies. The best of the analysts too often become high level action officers for NIEs, NSC studies, and other highly visible interagency or Community study efforts. Some of the above is probably unavoidable, but it may be necessary to hire more people and make organizational changes within the major production elements to separate current intelligence and data management from analysis, safeguard the time of basic researchers, and reduce the amount of internal and external coordination of intelligence products.

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CENTRAL INTELLIGENCE AGENCY

Office of Legislative Counsel  
Washington, D. C. 20505

Telephone: [REDACTED]

13 February 1978

TO: Mr. Stan Taylor  
Select Committee on Intelligence  
United States Senate  
G-308 Dirksen Senate Office Building

Stan:

Here is the paper which you  
discussed with Dick Newell when  
you lectured the CT's the other  
day.

Attachment



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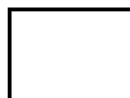
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MEMORANDUM FOR:

I left the cover sheets on for your information -- source of report, etc. I believe the principal drafter was Bob Gates, now on the NSC Staff.

My current extension is

I'll be in touch with you soon re: our proposed Agape Book Club.



*Send to Stacy Taylor*

Date